



2008 California Volunteer Manual

General Information

TAX AND CREDITS

Tax

Determine your client's tax by using the tax table in your clients' booklet or in this manual.

Follow the instructions at the top of the table. Use the correct filing status and taxable income from your client's Form 540, line 19.

First Column

1-Single

3-Married/RDP filing separately

Second Column

2-Married/RDP filing jointly

5-Qualifying widow(er)

Third Column

4-Head of household

Use Tax

California enacted use tax on July 1, 1935. It applies to purchases from out-of-state sellers, similar to sales

tax paid on purchases made in California.

In general, your client pays California use tax on purchases from out of state (i.e., telephone, over the internet, by mail, or in person) if both apply:

- The seller did not collect California sales or use tax.
- Your client used, gave away, stored, or consumed the item in this state.

If your client owes use tax, but chooses not to report it on their income tax return, they must report and pay the tax to the State Board of Equalization. For more information, contact the State Board of Equalization at boe.ca.gov or call 800.400.7115.

Complete the worksheet below to figure your clients' use tax.

Use Tax Worksheet

1. Enter your clients' total purchases subject to use tax.
Include handling charges. Do not include any sales or use tax your clients paid to the seller.
2. Enter the applicable sales and use tax rate from below
3. Multiply line 1 by the tax rate on line 2
4. Enter any sales or use tax your client paid to another state for purchases included on line 1*
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5. Subtract line 4 from line 3
Enter line 5 on Form 540A, line 37, or Form 540, line 51.

**This is a credit for tax paid to other states. Your clients cannot claim a credit greater than the amount of tax that would have been due if the purchase had been made in California. For example, if your clients paid \$8.00 in sales tax to another state for a purchase, and they would have paid \$6.00 in California, they can claim a credit of only \$6.00 for that purchase.*